

# Montgomery County Public Schools

## MISSION STATEMENT

The Montgomery County Public Schools (MCPS) operates a Countywide system of public schools for students from pre-kindergarten through high school. For the 2002-03 school year (FY03), 138,891 students in pre-kindergarten classes through grades 12 attend 191 separate public educational facilities. For the 2003-04 school year (FY04), enrollment is estimated to increase to 140,861 students. MCPS also maintains a comprehensive adult education evening high school and summer school program.

## BUDGET OVERVIEW

The total recommended FY04 Operating Budget for Montgomery County Public Schools is \$1,487,705,056 an increase of \$75,543,234 or 5.3 percent from the FY03 approved budget of \$1,412,161,822.

In addition to the total Recommended Operating Budget for the public schools, this agency's Capital Improvements Program (CIP) requires Current Revenue funding. Approximately \$15.2 million dollars in FY04 current revenues is recommended in the FY03-08 Capital Improvements Program. Please see Section 5 for information related to the CIP.

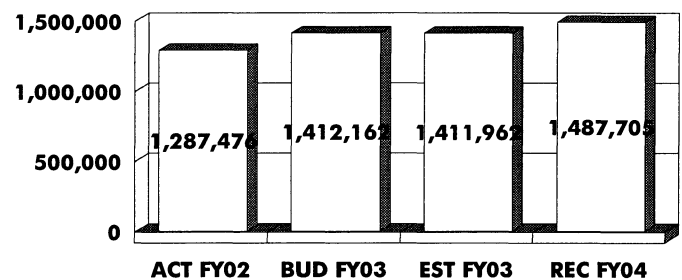
The Board of Education's Operating Budget request for FY04 totals \$1,518,840,346, an increase of \$106,678,524 or 7.6 percent over the FY03 original approved appropriation of \$1,412,161,822. Funding for the BOE's total request is comprised of Federal grants and aid (3.4 percent of all revenue); State aid and grants to education (17.0 percent); tuition, fees, and private grants (0.7 percent); and local contribution (75.6 percent). Expenditure of enterprise funds and their associated revenue comprises 3.3 percent of the request, and the special revenue fund comprises 0.1 percent of the request.

The BOE's request includes funding for a general wage adjustment for MCPS bargaining unit employees. The request includes a 4.0 percent salary schedule increase and an additional 1.0 percent for two additional duty days for 10-month teachers to satisfy agreements with the Montgomery County Education Association (MCEA), a 3.0 percent increase for the Montgomery County Association of Administrative and Supervisory Personnel (MCAASP), and a 3.0 percent increase for the Montgomery County Council of Supporting Service Employees (MCCSSE).

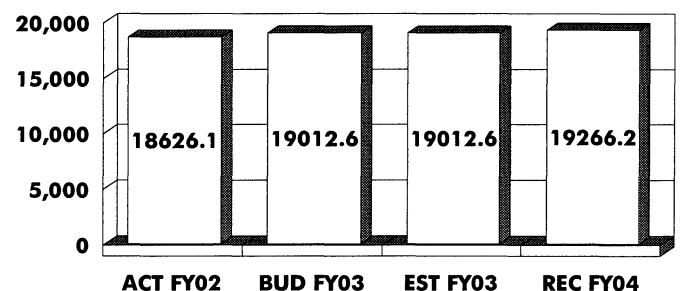
The County Executive's role in the budget process is to present in writing to the County Council a recommended budget total for the schools. For FY04, the County Executive recommends total funding of \$1,487,705,056. The recommended funding increases total per pupil spending by \$395 to \$10,562, despite projected increased enrollment of 1,970 students.

The Executive's recommendation for funding supports the

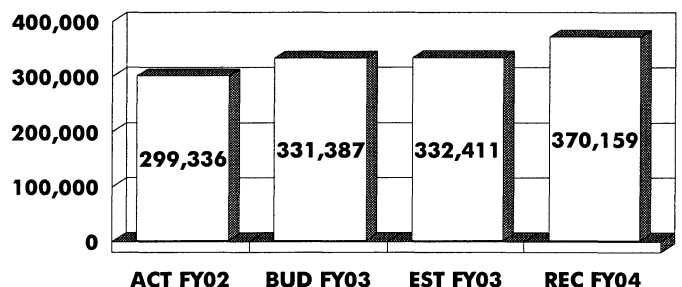
### Trends



### EXPENDITURES [\$000s]



### WORKYEARS



### RELATED REVENUES [\$000s]

policies and efforts of the Board of Education with Federal aid and grants of \$51,481,577 (3.5 percent of total recommended funding); State aid and grants of \$258,399,285 (17.4 percent); tuition, fees, and private grants of \$10,724,994 (0.7 percent); and a local contribution of \$1,116,609,837 (75.1 percent of the total recommended appropriation). Appropriation for the fee-supported enterprise funds represents \$49,387,363 (3.3 percent), and the special revenue fund represents \$1,102,000 (0.1 percent).

## **Tax Supported Funding for the Public Schools**

For FY04, the total tax supported portion of the Executive's recommendation (excluding grants and enterprise funds) is \$1,375,008,398, an increase of \$108,369,077 (8.6 percent) over the FY03 original approved Operating Budget. The 2002 Maryland Bridge to Excellence in Public Schools Act increased State aid to Montgomery County by \$30.2 million in FY04. In addition, approximately \$39.6 million of restricted grants has been reclassified to basic State aid and is included in the tax supported budget in FY04. Excluding this shift of grant funding, the tax supported increase would be \$68.8 million or 5.4%.

Included in the tax supported portion of the recommendation is the local contribution of funds. The Executive's recommendation of \$1,116,609,837 represents a total increase in local funding of \$37,421,139 (3.5 percent) over the FY03 original approved local appropriation.

The Executive's recommendation provides the Board of Education with a significant increase in taxpayer dollars to address the most pressing of educational needs and maintain commitments to employees. The Executive supports MCPS' continued efforts to identify opportunities to find budget savings and redirect existing budget expenditures to continue academic reforms and initiatives.

The Executive's recommendation of \$1,116.6 million in local funding is \$15.0 million above the FY04 State Maintenance of Effort (MOE) requirement. Providing local funds to meet the State Maintenance of Effort requirement ensures the receipt of increased State aid to the public schools.

## **Fiscal Summary**

The Executive's total (all funding sources) recommendation of \$1,487,705,056 is \$31.1 million less than requested by the Board of Education. It represents 98.0 percent of the Board of Education's request for funding from all sources. In making his recommendation, the Executive has considered the needs of the public school system, particularly as they relate to educational priorities. The Executive intends for the Board of Education to determine the most appropriate manner in which to deliver educational services within the recommended allocation.

## **Spending Affordability**

In December 2002, the Montgomery County Council approved FY04 Spending Affordability Guidelines (SAG) of \$1,357.5

million for the tax supported funds of the Montgomery County Public Schools, a 7.2 percent increase from the \$1,266.6 million FY03 budget. The Board has requested \$1,406.1 million in tax supported funds, \$48.6 million or 3.6 percent above the SAG guideline. The County Executive recommends \$1,375.0 million for MCPS, \$17.5 million or 1.3 percent above the SAG guideline. The County Council will revisit the Spending Affordability Guidelines by the second Tuesday after the General Assembly adjourns. If the Council amends the allocation for MCPS and it is below the level recommended by the County Executive, the Executive will forward to the Council information on changes the Council would need to make if the Council were to appropriate the FY04 budget at the level set by the Spending Affordability Guidelines.

## **Additional Budget Details**

The Executive believes the total FY04 Operating Budget recommendation provides the resources to address adequately the public school's most critical educational needs to improve achievement for all students.

In making this recommendation, the Executive affirms the authority of the Board to establish educational policy and to determine the allocation of appropriated funds in support of the mission of the public school system.

Complete information regarding the Montgomery County Public Schools' budget request is available in the FY04 MCPS Operating Budget adopted by the Board of Education on February 6, 2003. Copies of the budget are available at Montgomery County libraries and, upon request, from the school system.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding. Please see Section 5 for information related to the CIP.

## **PROGRAM CONTACTS**

Contact Dr. Marshall Spatz of the Montgomery County Public Schools at 301.279.3547 or Angela Dizelos of the Office of Management and Budget at 240.777.2772 for more information regarding this agency's operating budget.

## BUDGET SUMMARY

	Actual FY02	Budget FY03	Estimated FY03	Recommended FY04	% Chg Bud/Rec
<b>CURRENT FUND MCPS</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Current Fund MCPS Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	1,191,339,641	1,266,639,321	1,266,439,321	1,375,008,398	8.6%
Capital Outlay	0	0	0	0	—
<b>Current Fund MCPS Expenditures</b>	<b>1,191,339,641</b>	<b>1,266,639,321</b>	<b>1,266,439,321</b>	<b>1,375,008,398</b>	<b>8.6%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	17084.9	17236.3	17236.3	18020.0	4.5%
<b>REVENUES</b>					
Basic State Aid	121,040,554	128,856,495	128,856,495	201,944,007	56.7%
Teacher's Salary Challenge	13,207,914	11,825,764	11,825,764	5,912,882	-50.0%
Transportation	16,521,720	17,469,395	17,469,395	24,196,410	38.5%
Students With Disabilities	17,855,258	18,437,631	19,462,045	23,386,165	26.8%
Foster Care/Miscellaneous	297,017	250,000	250,000	250,000	—
Thornton Legislation	0	7,586,129	7,586,129	0	—
Tuition-Other Sources	2,969,578	2,865,209	2,865,209	2,499,097	-12.8%
Federal Revenues (P.L. 874)	218,319	160,000	160,000	210,000	31.3%
<b>Current Fund MCPS Revenues</b>	<b>172,110,360</b>	<b>187,450,623</b>	<b>188,475,037</b>	<b>258,398,561</b>	<b>37.8%</b>
<b>GRANT FUND MCPS</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Grant Fund MCPS Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	88,040,065	99,105,796	99,105,796	62,207,295	-37.2%
Capital Outlay	0	0	0	0	—
<b>Grant Fund MCPS Expenditures</b>	<b>88,040,065</b>	<b>99,105,796</b>	<b>99,105,796</b>	<b>62,207,295</b>	<b>-37.2%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	990.5	1197.0	1197.0	635.2	-46.9%
<b>REVENUES</b>					
Federal Grants	43,648,369	47,041,843	47,041,843	51,271,577	9.0%
State Grants	43,494,230	42,290,009	42,290,009	2,709,821	-93.6%
Private Grants	897,466	9,773,944	9,773,944	8,225,897	-15.8%
<b>Grant Fund MCPS Revenues</b>	<b>88,040,065</b>	<b>99,105,796</b>	<b>99,105,796</b>	<b>62,207,295</b>	<b>-37.2%</b>
<b>FOOD SERVICE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Food Service Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	0	35,640,454	35,640,454	38,759,548	8.8%
Capital Outlay	0	0	0	0	—
<b>Food Service Fund Expenditures</b>	<b>0</b>	<b>35,640,454</b>	<b>35,640,454</b>	<b>38,759,548</b>	<b>8.8%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	520.0	545.0	545.0	575.4	5.6%
<b>REVENUES</b>					
Child Care Food Service	619,449	755,600	755,600	775,000	2.6%
Federal Food	10,968,725	11,015,155	11,015,155	12,222,091	11.0%
State Food	827,314	802,933	802,933	812,966	1.2%
Miscellaneous: Investment Income	282,628	0	0	0	—
Sale of Meals	19,382,234	23,066,766	23,066,766	24,949,491	8.2%
<b>Food Service Fund Revenues</b>	<b>32,080,350</b>	<b>35,640,454</b>	<b>35,640,454</b>	<b>38,759,548</b>	<b>8.8%</b>

	Actual FY02	Budget FY03	Estimated FY03	Recommended FY04	% Chg Bud/Rec
<b>REAL ESTATE FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Real Estate Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	1,276,464	1,539,644	1,539,644	1,551,803	0.8%
Capital Outlay	0	0	0	0	—
<b>Real Estate Fund Expenditures</b>	<b>1,276,464</b>	<b>1,539,644</b>	<b>1,539,644</b>	<b>1,551,803</b>	<b>0.8%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	4.0	4.0	4.0	4.0	—
<b>REVENUES</b>					
Real Estate Fund	1,528,157	1,539,644	1,539,644	1,551,803	0.8%
<b>Real Estate Fund Revenues</b>	<b>1,528,157</b>	<b>1,539,644</b>	<b>1,539,644</b>	<b>1,551,803</b>	<b>0.8%</b>
<b>ADULT EDUCATION AND SUMMER SCHOOL</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Adult Education and Summer School Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	3,769,617	5,241,120	5,241,120	6,452,152	23.1%
Capital Outlay	0	0	0	0	—
<b>Adult Education and Summer School Expenditures</b>	<b>3,769,617</b>	<b>5,241,120</b>	<b>5,241,120</b>	<b>6,452,152</b>	<b>23.1%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	6.2	7.8	7.8	7.8	—
<b>REVENUES</b>					
Adult Education/Summer School	3,205,768	4,709,440	4,709,440	6,581,854	39.8%
Model Learning Center: MCG DOCR	199,581	0	0	0	—
State: Adult Education and Summer School	12,154	12,154	12,154	13,420	10.4%
Federal Aid	8,451	8,451	8,451	22,533	166.6%
<b>Adult Education and Summer School Revenues</b>	<b>3,425,954</b>	<b>4,730,045</b>	<b>4,730,045</b>	<b>6,617,807</b>	<b>39.9%</b>
<b>FIELD TRIP FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Field Trip Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	1,254,611	1,973,567	1,973,567	1,571,733	-20.4%
Capital Outlay	0	0	0	0	—
<b>Field Trip Fund Expenditures</b>	<b>1,254,611</b>	<b>1,973,567</b>	<b>1,973,567</b>	<b>1,571,733</b>	<b>-20.4%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	3.0	3.0	3.0	3.0	—
<b>REVENUES</b>					
Field Trip Fees	1,359,469	1,973,567	1,973,567	1,571,733	-20.4%
<b>Field Trip Fund Revenues</b>	<b>1,359,469</b>	<b>1,973,567</b>	<b>1,973,567</b>	<b>1,571,733</b>	<b>-20.4%</b>
<b>ENTREPRENEURIAL ACTIVITIES FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Entrepreneurial Activities Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	791,968	946,920	946,920	1,052,127	11.1%
Capital Outlay	0	0	0	0	—
<b>Entrepreneurial Activities Fund Expenditures</b>	<b>791,968</b>	<b>946,920</b>	<b>946,920</b>	<b>1,052,127</b>	<b>11.1%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	4.5	6.0	6.0	7.3	21.7%

	Actual FY02	Budget FY03	Estimated FY03	Recommended FY04	% Chg Bud/Rec
<b>REVENUES</b>					
Entrepreneurial Activities Fee	791,968	946,920	946,920	1,052,127	11.1%
<b>Entrepreneurial Activities Fund Revenues</b>	<b>791,968</b>	<b>946,920</b>	<b>946,920</b>	<b>1,052,127</b>	<b>11.1%</b>
<b>INSTRUCTIONAL TELEVISION FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Instructional Television Fund Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
Operating Expenses	1,003,180	1,075,000	1,075,000	1,102,000	2.5%
Capital Outlay	0	0	0	0	—
<b>Instructional Television Fund Expenditures</b>	<b>1,003,180</b>	<b>1,075,000</b>	<b>1,075,000</b>	<b>1,102,000</b>	<b>2.5%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	13.0	13.5	13.5	13.5	—
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>1,287,475,546</b>	<b>1,412,161,822</b>	<b>1,411,961,822</b>	<b>1,487,705,056</b>	<b>5.3%</b>
<b>Total Full-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total Part-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Total Workyears</b>	<b>18626.1</b>	<b>19012.6</b>	<b>19012.6</b>	<b>19266.2</b>	<b>1.3%</b>
<b>Total Revenues</b>	<b>299,336,323</b>	<b>331,387,049</b>	<b>332,411,463</b>	<b>370,158,874</b>	<b>11.7%</b>

<b>MCPS APPROPRIATED AND RECOMMENDED EXPENDITURES FY80—FY04</b>					
County Fiscal Year	Total Expenditures	Total Enrollment	Per Pupil	County Funding	As Percent of Total
80	\$283,964,983	102,519	\$2,770	\$217,458,068	76.58%
81	\$310,301,970	98,843	\$3,139	\$243,994,370	78.63%
82	\$331,546,219	95,587	\$3,469	\$267,891,955	80.80%
83	\$351,939,986	92,517	\$3,804	\$286,965,658	81.54%
84	\$371,322,717	91,030	\$4,079	\$303,726,901	81.80%
85	\$399,916,181	91,704	\$4,361	\$330,035,065	82.53%
86	\$436,875,791	92,871	\$4,704	\$361,788,973	82.81%
87	\$475,866,930	94,460	\$5,038	\$398,053,264	83.65%
88	\$519,622,140	96,271	\$5,397	\$434,582,576	83.63%
89	\$577,957,669	98,519	\$5,866	\$488,062,505	84.45%
90	\$642,553,932	100,259	\$6,409	\$545,768,528	84.94%
91	\$702,260,084	103,732	\$6,770	\$601,407,797	85.64%
92	\$712,896,646	107,140	\$6,654	\$603,939,300	84.72%
93	\$738,767,864	110,037	\$6,714	\$622,732,456	84.29%
94*	\$793,907,907	113,429	\$6,999	\$666,557,884	83.96%
95	\$830,010,147	117,082	\$7,089	\$695,512,609	83.80%
96	\$878,160,420	120,291	\$7,300	\$718,938,647	81.87%
97	\$915,141,097	122,505	\$7,470	\$740,984,871	80.97%
98	\$958,416,196	125,035	\$7,665	\$765,835,476	79.91%
99	\$1,034,768,530	127,852	\$8,093	\$820,833,423	79.33%
00	\$1,105,644,145	130,689	\$8,460	\$870,940,869	78.77%
01	\$1,216,096,599	134,180	\$9,063	\$959,754,838	78.92%
02	\$1,323,625,477	136,832	\$9,673	\$1,029,703,651	77.79%
Approved 03	\$1,412,161,822	138,891	\$10,167	\$1,079,188,698	76.42%
Recommended 04	\$1,487,705,056	140,861	\$10,562	\$1,116,609,837	75.06%

Sources: Board of Education Approved Operating Budgets

**Notes:**

\* State legislative action shifted responsibility for teacher Social Security payments to local jurisdictions in FY94.

Per pupil spending represents all sources of funds

In addition to MCPS appropriations, funding in support of MCPS programs is represented in:

- Capital Improvements Program (CIP) Current Revenue
- Debt Service on School Facilities
- Crossing Guards (Police Department)
- School Health Nurses and Health Room Technicians (Health and Human Services)

Other programs budgeted outside of the MCPS budget but directly supporting the success of every student are:

- Early Childhood Initiative (Health and Human Services and Libraries)
- Linkages to Learning (Health and Human Services)
- Educational Alternatives (Health and Human Services)

# Montgomery County Public Schools FY 2004 Organization

